

Approved for (b)(3)

Release:

2018/08/29

C03006502

Approved for

Release:

2018/08/29

C03006502

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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

The Internal Situation in China

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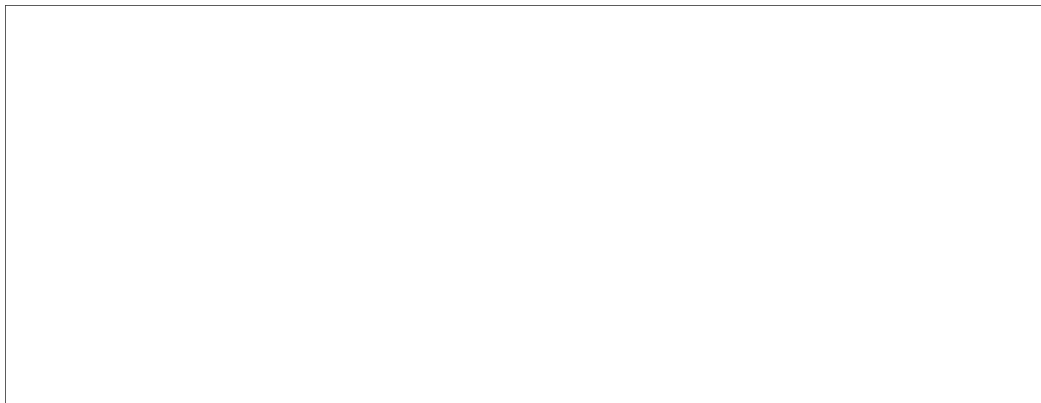
31 January 1972

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
31 January 1972

INTELLIGENCE MEMORANDUM

The Internal Situation in China

Introduction

Less than six months ago Peking was rocked by a dramatic leadership upheaval which resulted in the purge of Lin Piao, the Minister of Defense and anointed successor to Mao Tse-tung, and at least four other major military leaders. This action has left Mao and Chou En-lai the dominant figures in China, running the country at the head of an extremely small elite team. While it is clear that many serious problems remain to be solved and certain difficulties are being encountered behind the scenes as solutions are sought, the general outward appearance is one of tranquility.

Even while the leadership struggle was being played out during the fall of last year, there were no discernible repercussions on China's internal stability. National and local administration proceeded with relatively little disruption. The economy continued to advance at a steady pace, with strong gains registered in industrial production and with agricultural production holding its own in the face of continued population growth. In the foreign field, serious problems were met and handled adroitly, with no pause in the smooth running of the foreign-policy machinery.

Of the problems that Mao and Chou now face, the need to decide on new leaders to fill the many vacant positions on the politburo and in the army

Note: This memorandum was prepared by the Office of Current Intelligence and was coordinated with the Office of National Estimates.

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command is probably the most important. The question of personnel selection, and thus of power configuration, has bedeviled the Peking leadership for the past six years, since the beginning of the Cultural Revolution, and there are clear indications that it remains a central, and unsolved, problem. Beyond that, the question of organizational control, of the relative weight to be played by the military and the party in running the country, has not yet been sorted out. In the aftermath of the recent purge, however, an effort is clearly being made to reduce the political power which the military acquired during the Cultural Revolution.

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CHINESE COMMUNIST POLITBURO

(Elected April 1969)

STANDING COMMITTEE

- Mao Tse-tung (78)
Chairman, Central Committee
- Lin Piao (64)
~~Vice Chairman, Central Committee; Defense Minister~~
- Chou En-lai (73)
Premier
- Ch'en Po-ta (66)
~~Chairman, Cultural Revolution Group~~
- K'ang Sheng (72)
~~Adviser, Cultural Revolution Group; Internal Security Chief~~

WIVES

- Chiang Ch'ing (56)
Wife of Mao; First Deputy Head, Cultural Revolution Group
- Yeh Ch'un (44)
~~Wife of Lin Piao, Military Affairs Committee~~

MILITARY LEADERS

- Huang Yung-sheng (62)
~~Chief of Staff, Military Affairs Committee~~
- Ch'iu Hui-tso (56)
~~Deputy Chief of Staff; Army Logistics Chief, Military Affairs Committee~~
- Li Tso-p'eng (60)
~~Deputy Chief of Staff; Political Commissar, Navy; Military Affairs Committee~~
- Wu Fa-hsien (58)
~~Deputy Chief of Staff; Commander, Air Force; Military Affairs Committee~~
- Yeh Chien-ying (72)
Vice Chairman, Military Affairs Committee

PROVINCIAL LEADERS

- Chi Teng-k'uei (40)*
Vice Chairman, Honan Provincial Revolutionary Committee
- Ch'en Hsi-lien (60)
Commander, Shen-yang Military Region; Chairman, Liaoning Provincial Revolutionary Committee
- Li Hsueh-feng (64)*
~~Chairman, Hopeh Provincial Revolutionary Committee~~
- Chang Ch'un-ch'iao (59)
Chairman, Shanghai Municipal Revolutionary Committee; Second Deputy Head, Cultural Revolution Group
- Li Te-sheng (61)*
Commander, Anhwei Military District; Chairman, Anhwei Provincial Revolutionary Committee
- Hsu Shih-yu (64)
~~Vice Minister of Defense; Commander, Nanking Military Region; Chairman, Kiangsu Provincial Revolutionary Committee~~
- Yao Wen-yuan (36)
Vice Chairman, Shanghai Municipal Revolutionary Committee; Member, Cultural Revolution Group

GOVERNMENT LEADERS

- Hsieh Fu-chih (69)
~~Public Security Minister; Chairman, Peking Municipal Revolutionary Committee; Vice Premier~~
- Li Hsien-nien (66)
Finance Minister
- Wang Tung-hsing (age unknown)*
Public Security Vice Minister; Director, General Office, Party Central Committee

HONORARY ELDERS

- Chu Te (85)
Chairman, National People's Congress
- Liu Po-ch'eng (79)
Vice Chairman, National People's Congress; Military Affairs Committee
- Tung Pi-wu (85)
Vice Chairman, People's Republic of China

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The Leadership Equation

1. The fluidity of the leadership situation in Peking is underscored by the fact that only 11 full and alternate politburo members--discounting three elderly figures whose membership is honorary--have been publicly active since last September. Mao has made three appearances since October, and Chou continues to maintain a backbreaking schedule. Other leaders who have been particularly active include Yeh Chien-ying and army political director Li Te-sheng. Yeh, who appears to collaborate closely with Chou, is a possible candidate for the defense ministry post; in any case, his prominence almost certainly is intended to symbolize the endorsement of the Lin purge by China's predominantly conservative military establishment. We know relatively little about Li Te-sheng, an alternate politburo member and former provincial army commander. Li's current high visibility, however, suggests that he may be being groomed for full politburo membership and broader responsibilities in the military hierarchy. The only remaining active military member on the politburo is Shenyang Military Region commander Chen Hsi-lien. Because Chen's appearances have been confined to his bailiwick in northeast China, it is difficult to determine how much influence he is exerting at the moment on the decision-making process in Peking.

2. Among the more active civilian leaders are Chou's alter ego, Vice Premier Li Hsien-nien, and several leaders closely identified with extremist policies in the Cultural Revolution, including Madame Mao, Shanghai political boss Chang Chun-chiao, and party propaganda chief Yao Wen-yuan. The last three are members of Mao's personal entourage, and their status apparently has not been impaired by the two-year-old drive against ultraleftists which has resulted in the ouster of two of Mao's long-time radical colleagues. The continued prominence of Madame Mao, Chang, and Yao may also indicate that an eventually re-formed politburo will continue to be balanced between conservatives and radicals.

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3. Unfortunately, the pattern of politburo appearances in recent months raises more questions than it answers about the relative influence of the surviving members. Madame Mao, for example, invariably appears to be ranked immediately behind Chou. Nevertheless, it seems unlikely that her actual power, on the wane since 1968, has taken an upturn. We have assumed that her prerogatives have been confined largely to cultural matters, but even in this sphere there have been no press references to her guiding influence in the arts since last summer. She also apparently has failed to gain membership on the newly formed State Council Culture Group. There were a number of anomalies in the major turnout for former foreign minister Chen I's funeral on 10 January that indicated that the situation within the politburo has not been sorted out and suggested that some of the leaders who have disappeared into the political woods may re-emerge.

The Situation in the Provinces

4. The leadership upheaval in Peking has had relatively little impact on the regional and provincial party and military hierarchy. Presumably this means that the majority of civilian and military leaders in the provinces have received reassurances regarding their political tenure.

5. Nevertheless, some selective revamping of party organs is apparently under way. Perhaps as many as a dozen first or second ranked provincial party secretaries, both civilians and military, appear to have been transferred or purged. Those purged probably have either been tarnished as Lin Piao supporters or somehow caught up in the internecine quarreling between their conservative and radical mentors in Peking. But the rationale behind the local purges is difficult to discern. Several of the ranking leaders in Kwangtung Province, for example, would appear logical candidates for purging because of their close association with deposed army chief

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of staff Huang Yung-sheng, who was the ranking military-political boss in that area until his promotion to Peking in 1968. Nevertheless, all of Huang's Kwangtung associates are still in action.

6. There is one striking parallel between the personnel situation in the provinces and in Peking: the regime is still dragging its feet in appointing replacements for the four provincial party first secretaries who appear to have been purged or transferred in recent months and has failed to fill vacancies in the major Peking and Nanking Military Region commands which have existed for 11 and six months respectively. The most significant provincial figure in this category is the commander of the Nanking Region, Hsu Shih-yu, who is also a full politburo member. His absence from public view since last June almost certainly is related to events that precipitated the Lin Piao affair, but there have been no reports that Hsu has been purged or is in serious political trouble. Thus, he may eventually resurface, perhaps in a higher military post. Hsu Shih-yu's promotion or purge is undoubtedly one of the most controversial issues confronting the regime, and the seeming inability to determine his fate attests to the complexity of the haggling over personnel still going on behind the scenes.

The Political Role of the Military

7. The pulling and hauling over personnel assignments in Peking and the provinces is complicated by the current campaign to reduce the influence of the military in civil administration and to reassert the leadership of the reconstructed party apparatus. We do not believe that the army's overweening political role was the central factor in the attack on the apex of China's military power structure last September, although this certainly figured in the purges. The politburo that had emerged from the Ninth Party Congress in April 1969 was an unstable body containing leaders from the major interest groups which had emerged from the Cultural Revolution. Difference in outlook and interests persisted, and

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just beneath the surface personal animosities were strong. There were indications that some members, perhaps even Chou En-lai, never really accepted Lin's designation as Mao's successor, and Lin's activities during the Cultural Revolution made it likely that he had more than a few enemies among other important military chiefs. Thus a combination of factors--a Lin-Chou rivalry, Lin's desire to rid himself of opponents in the military hierarchy, and Lin's fear that the current drive against ultra-leftists would further weaken his position--probably came together in the dramatic events of last September.

8. Nevertheless, the Lin affair brought to the fore a long-standing concern, probably shared by Mao and Chou-En-lai, over the extent and duration of the military's political role and the need to get back to regular organizational forms in the wake of the Cultural Revolution. This concern was clearly enunciated last month by a Peking publicist in Hong Kong, Jack Chen. According to Chen, major policy directives on all national matters are in the future to be transmitted through the party and government chain of command rather than through the military. Moreover, the key figure in all leadership organs will be the party's representative--"whether or not he is a military member." Chen described these adjustments as a major structural reform. The need for such reform has been graphically confirmed in a recent [redacted] party document which was widely circulated among leading cadres throughout China last August. The document disclosed that many army men participating in civil party committees had been taking their orders directly from their military superiors, bypassing the re-instituted party chain of command and treating the reformed civilian party committees more as ornamentation than as the principal bodies of local authority.

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9. Despite the across-the-board criticism of the army's political performance in the document, no specific solutions were offered for improving

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local military-civil relations. There also was no suggestion that the regime is prepared to withdraw the military from civil administration. Recent domestic propaganda, however, has harped on the necessity for collective leadership. This general and vague formula obviously is designed to ensure that military officers do not dominate local party organs and to bolster the authority of civilian cadres. Many of the latter are "rehabilitated" party veterans who probably bridle at sharing authority with less experienced military men.

10. Peking is likely to pursue a cautious approach in attempting to restore the party apparatus. Almost certainly a broad purge of China's present military administrators is not in the offing. Instead, many of these men probably will be eventually redesignated as civilian party-government careerists. In any event, China's powerful regional and provincial military leaders can be expected to use their political leverage in an attempt to secure their careers and ensure that their voices will continue to be heard in national councils on both military and civil policies.

The Succession Problem

11. The fall of Mao's sole heir last fall has put the regime back to square one in dealing with the problem of the transfer of power after Mao goes. At some point, steps will have to be taken to draft and approve another party constitution entailing a new prescription for Mao's succession. It seems highly improbable that Mao will again attempt to designate a personal successor. Quite likely post-Mao China will nominally be ruled by a "collective leadership."

12. The smoke of the latest battle has not cleared sufficiently for confident predictions about a new collegium after Mao. Barring another major upheaval, any collective in the future will be dominated by Chou En-lai if he remains healthy.

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Chou is currently the de facto number-two man, with no visible challengers on the horizon. Moreover, it seems likely that most of those who fill the vacancies now existing on the politburo will be figures closely associated with Chou.

Policy Moderation

13. There are no signs that the latest go-round in Peking has interfered with the mundane tasks of national and local administration. [redacted]

[redacted] over the past five months economic planning, labor, education, and health conferences have proceeded with relatively little disruption. The over-all moderating trend in domestic programs--a trend begun in 1969--continues, and the thrust of radical Maoist reforms is being blunted in key areas. In education, for example, most students still have to put in lengthy stints of manual labor, but there has been a growing number of official recommendations for improving academic curricula, for judicious restoration of the influence of "bourgeois" intellectuals, and for more advanced theoretical training for academically gifted students.

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14. In economic policy, recent public commentary has affirmed that the 1971-75 economic plan will continue the middle-of-the-road policies that have fostered rapid recovery and growth since the winding down of the Cultural Revolution. The December and January issues of the authoritative party journal Red Flag stated that further collectivization in agriculture will be eschewed, thus indicating a further erosion of ultraleftist influence in this key area of national decision-making. Red Flag also forecast small improvements in consumer welfare, although investment will be maintained at the expense of wages and increased economic output will go mainly for military and industrial modernization.

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The State of the Economy

15. The Chinese economy made strong gains in 1971, and the political turbulence in Peking last autumn had no discernible economic spillover. Industrial output for the year rose over 10 percent, with large increases in the output of steel, coal, chemicals, electronics, and petroleum, as many new factories went into production. Armaments production advanced across the board, and construction of new industrial and military facilities--including three large new plants associated with the production of nuclear weapons--proceeded at an impressive rate. China clearly intends to become a major nuclear power. It also has continued to push its massive underground construction programs, such as hardened facilities to protect aircraft, at enormous costs in terms of construction materials and labor.

16. In contrast to striking successes in industry and construction, agriculture had only a mediocre year in 1971. This was a disappointment to Peking, since agriculture had been given increased amounts of chemical fertilizer and equipment. Imports of grain declined to 3.2 million tons in contrast to the 4-5 million tons that have been imported each year since 1961. In any case, over the next several years domestic food production should be able to keep pace with China's annual two-percent population growth.

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